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Rubles for Defense—Are the Soviets Really Outspending the Pentagon?

Administration officials speak of a spending gap of as much as \$450 billion in the Soviet Union's favor in the past decade, but others call that grossly inflated.

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As Congress gets down to examining the Reagan Administration's plan to add \$184 billion to the defense budget over the next five years, one of the biggest numbers games in town is estimating Soviet military expenditures.

Just about anybody can play: there are more than enough numbers to satisfy all political persuasions.

But it is more than an idle mathematical debate. Ultimately, it has to do with how the United States reads Soviet military intentions, and it is the perception of those intentions that can fuel a U.S.-Soviet arms race.

Those who believe the Pentagon needs the additional funds can start with President Reagan's Feb. 18 address to Congress. Based on Central Intelligence Agency (CIA) estimates, Reagan stated that "since 1970, the Soviet Union has invested \$300 billion more on its military forces than we have."

Or you can do what Defense Secretary Caspar W. Weinberger did in his March 4 testimony to the Senate Armed Services Committee. By leaving out 1970 spending and including budget projections for 1980, the military investment gap widens by \$55 billion.

But huge as a \$355 billion spending gap may appear, Pentagon supporters can come up with an even greater sum by turning to the Joint Chiefs of Staff posture statement for fiscal 1982. By factoring in estimates of personnel costs and operating expenses, that report pegs the difference between U.S. and Soviet expenditures at an astronomical \$450 billion over a 10-year period. Some private estimates are even higher.

On the other hand, those who are somewhat skeptical of the Defense Department's budget requests can easily shave hundreds of billions of dollars

off the spending gap. Here's one way, according to a January Pentagon report: use the 12-year period from 1968 to 1979 as a basis of comparison, and you bring the investment gap down to \$270 billion. Or you can lop at least another \$100 billion off the difference by adopting a procedure used in recent reports by the Arms Control and Disarmament Agency that applies a "geometric means purchasing parity" scale for rubles and dollars to the CIA estimates.

Finally, a full-scale assault on the CIA's method of estimating Soviet defense costs, as mounted by Tufts University economics professor Franklyn D. Holzman, produces an evaluation of U.S. and Soviet military spending that is more or less in balance.

This is not to suggest that any of these estimates are contrived. For the most part, the different assessments reflect long-standing and often arcane disputes about how to compute the amount of resources devoted to defense in a foreign economy in which military spending statistics are shrouded in secrecy.

But there's little doubt that some of these estimates are abused when they are pressed into political service. And the lessons some experts draw from examination of Soviet defense spending are more subtle and tentative than the rhetoric over a military spending gap suggests.

SOVIET STRIDES

Whatever its defense costs may be, there's no doubt that the Soviet Union has significantly built up its forces over the past decade. According to estimates by the Congressional Research Service of the Library of Congress, the Soviets have added 733 land-based missiles, submarine-based missiles and bombers to their inventory of nuclear "delivery vehicles." During this period, they have

also increased their stock of nuclear warheads by 4,019.

In contrast, the United States has 93 fewer delivery vehicles than it had 10 years ago, though thanks to technology, it has increased the number of warheads mounted on them by 5,200.

As far as conventional arms are concerned, the Soviet buildup is similarly impressive. In the past decade, to take but a few examples, the Soviet Union has increased its fleet of heavy and medium tanks by 9,000 and added 8,000 pieces of artillery and 765 tactical combat aircraft. (See box, p. 602.)

But if you can count their weapons so precisely, why bother to try to assess the levels of Soviet defense spending? Some experts say there are good reasons for trying.

For one thing, some strategic decisions depend at least in part on the cost of Soviet military hardware. Supporters of the land-based mobile MX missile, for example, argue that it would cost the Soviet Union more to develop the means of targeting all 4,600 MX shelters than it would cost the United States to expand its MX system or protect it with some sort of antiballistic missile defense. Not surprisingly, some MX critics, including former CIA director Stansfield Turner, have argued precisely the reverse. (See NJ, 2/14/81, p. 260.)

For another, present Soviet military investment is taken by the Defense Department as a guide to future Soviet military capabilities. "The effects of today's investment balance," former Defense Secretary Harold Brown states in the Defense Department report for fiscal 1982, "will be seen in the military balance in future years."

In larger terms, projections of Soviet defense costs also provide U.S. planners with some idea of how efficient Soviet defense industry is and how great a